

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Broadband, Video and Market Branch**

**RESOLUTION T-17561
April 6, 2017**

R E S O L U T I O N

RESOLUTION T-17561: Approval of funding for the Rural and Regional Consortia grant application of the Southern Border Broadband Consortium in the amount of \$450,000.

I. SUMMARY

This Resolution approves grant funding in the amount of \$450,000 from the California Advanced Services Fund (CASF) Rural and Regional Urban Consortia Account (Consortia Account) for the grant application of the Southern Border Broadband Consortium (SBBC). This project will further broadband deployment, access and/or adoption in the Southern region of California.

By furthering broadband deployment, access and adoption, this project is expected to enhance public safety in the San Diego and Imperial county regions of California in the event of fire, flooding, and earthquakes.

II. BACKGROUND

On June 23, 2011, the Commission adopted Decision (D.) 11-06-038, which implemented the provisions of Senate Bill (SB) 1040 (Padilla, Stats 2010, Chapter 317) relating to the CASF consortia program and outlined the application and filing process for the program. On September 2, 2015, the Governor signed Assembly Bill (AB) 1262 (Wood, Chapter 242, Statutes of 2015) that reallocated \$5 million from the CASF Broadband Infrastructure Revolving Loan Account to the CASF Consortia Account, thus making additional funds available for consortia activities. Prospective applicants were invited to submit new proposals on January 29, 2016. The recent application process is consistent with D.11-06-038, with the addition of a performance review for applicants with prior Consortia grant experience.

III. APPLICANT REQUEST

On October 27, 2016, SBBC submitted a grant application for CASF Consortia funding.¹ The deadline for Consortia applications was January 29, 2016; SBBC was informed that their application would be reviewed after all other applications submitted on the January 29 deadline had been approved or denied, and if funds remained available.

Applicants:

SBBC represents San Diego and Imperial counties. It is a first time consortium applicant for a region that was previously represented by the San Diego Imperial Regional Broadband Consortium. SBBC's application states that it will assist unserved, underserved and outlying rural areas in Imperial and San Diego counties to assess the needs for broadband internet.

Proposals

SBBC requests a total budget of \$675,000 for a three-year program, of which \$450,000 will come from CASF funding. An additional \$225,000 estimated in kind contribution value will be supplied by its members.² SBBC proposes to collect and update information regarding broadband infrastructure, assets, and availability; promote broadband deployment and availability for residences and businesses, and increase the rate of broadband adoption by facilitating the impact of consumer education, outreach, and adoption. Specifically, SBBC will continue to collect data for unserved and underserved areas in its region and publish the data via a web platform and means already used. SBBC plans to conduct workshops to identify more broadband providers in the area, identify services they offer, and determine if their interest in providing services to community members at affordable prices. SBBC will continue to work with agencies that have had success in the past with CASF grants to encourage more applications to the program.

IV. NOTICES

On February 18, 2016, CD posted a list of applications received by the January 29, 2016 deadline on the Commission's CASF Consortia Account webpage,³ and sent email

¹ Fifteen applications were submitted by January 29, 2016.

² In-kind contribution refers to members' time and efforts associated with the project.

³ <http://www.cpuc.ca.gov/General.aspx?id=908>.

notices regarding the proposed projects to its CASF Distribution List. On November 11, 2016, CD posted the information for SBBC to the CASF Consortia webpage.⁴

V. PROJECT REVIEW

A. Project Eligibility

SBBC's application is eligible because they meet the minimum criteria established by D.11-06-038 and CD's review of how efficiently and cost-effectively previously granted Consortia funds were spent as a basis for awarding any new and/or additional funding.

B. Project Criteria Evaluation

CD evaluated all proposals with respect to the criteria defined in D.11-06-038, Attachment G, Scoring Criteria. The criteria includes: (1) Work Plan, (2) Action Plan, (3) Budget, (4) Regional Consortium's/Members Experience, and (5) Regional Consortium Representation and Endorsements. CD's evaluation of this project is summarized below.

Work Plan

SBBC's Work Plan contains discrete, clear tasks and deliverables, with acceptable timelines for completion (see Appendix A). Activities itemized in the Work Plan are consistent with the Action Plan. For example, for the outreach program, SBBC will survey approximately 5,000 residents; a minimum of 50 interviews or surveys to improve maps; develop a minimum of 1 outreach campaigns; and identify potential telecom companies interested in expanding access to broadband to unserved and underserved areas.

Some other areas that SBBC intends to focus on are education issues in the region. More specifically, SBBC members proposes to assist existing programs to eliminate the "homework gap" in which students do not have access to the information that is necessary for their studies/homework; they will also work with organizations that give children in foster care computers, and will expand such programs to senior citizens.

⁴ On October 27, 2016 the Commission received an application for Southern Border Broadband Consortium. This application was received after the deadline, and is not guaranteed consideration in this funding round. The contact information can be found [here](#). Please contact the listed consortium representative for more information.

SBBC wants to increase broadband availability to the unserved regions to help community members with various issues such as: access to online job applications, telehealth for remote medical access, to get online degrees to further education, and for small online businesses and ecommerce to grow. ⁵

SBBC will work with broadband providers in the area (Frontier, Charter, TDS Telecom) to further increase access to underserved areas. In the past, SBBC members have worked with utilities providers to add broadband infrastructure to existing power lines.

Action Plan

SBBC provided a clear Action Plan consistent with program requirements defined in D.11-06-038. SBBC proposes to promote broadband deployment and availability to residences and businesses and identify high priority underserved and unserved target populations and communities. These are consistent with the “core responsibilities” outlined in D.11-06-038.

Budget

SBBC’s budget request of \$450,000 covers a three-year period. Based on CD staff’s review of the Action Plan and Work Plan, CD staff determined that the budget is reasonable for the tasks proposed and should be adopted.

Regional Consortium’s/Members Experience

SBBC’s members have direct experience with broadband deployment and adoption efforts. SBBC members have been involved in projects to seek connectivity solutions for schools with geographic, technological, and fiscal constraints. In addition, members have been implemented a demonstration program to provide internet access to long distance fixed route buses that travel between rural areas. As government officials, emergency service workers, educators, etc., they have direct experience working with culturally and linguistically diverse communities.

Regional Consortium Representation and Endorsements

SBBC’s representation includes local business owners, non-profit organizations, financial institutions as well as local government agencies. CD received 40

⁵ SBBC will work to address Rancho Santa Fe Fairbanks Ranch in San Diego County, and Desert Shores in Imperial County- two high impact areas identified by the Communications Division [White Paper](#) mailed on 2/17/17.

endorsements from health care organizations, educations, as well as non-profit and for-profit businesses. CD received nine endorsements from the City of Brawley, The City of El Centro, and the Imperial County Fire Department.

VI. STAFF RECOMMENDATIONS FOR FUNDING

CD staff has determined that the SBBC application qualifies for funding. SBBC scored at least 70 of 100 points with clear and detailed proposals. CD staff's evaluation of this proposal finds that it meets the requirements of D.11-06-038, and supports broadband deployment, access, and adoption. CD staff recommends approval of this proposal.

VII. COMPLIANCE REQUIREMENTS

SBBC is required to comply with all the guidelines, requirements, and conditions associated with the grant of CASF funds as specified in D.11-06-038 and this Resolution. Such compliance includes, but is not limited to the following:

A. Execution and Performance

CD staff will coordinate start dates with each consortium grantee. The estimated start date is May 1, 2017. By receiving a CASF grant from the Commission, SBBC agrees to comply with the terms, conditions, and requirements of the grant and thus submit to the jurisdiction of the Commission with regard to disbursement and administration of the grant.

Should SBBC fail to complete the project in accordance with the terms of the CPUC approval as set forth in this resolution, SBBC must reimburse some or all of the CASF funds it has received. If SBBC fails to perform in good faith, or in accordance with the expectations set forth in its Action Plan, Work Plan and Consent Form,⁶ as affirmed in the affidavit, the Commission may withhold subsequent grant disbursement or suspend or terminate the Consortium grant, as warranted.

Any changes to the substantive terms and conditions underlying the Commission approval of the Consortium grant must be communicated in writing to the Communications Director at least 30 days before the anticipated change, and may be

⁶ D.11-06-038, Attachment H.

subject to approval by either the Director or by Commission resolution before becoming effective.

B. Summit Requirement

D.11-06-038 directed CD staff to schedule and host on at least an annual basis a Regional Consortia Learning Community Summit, and required all consortia receiving California Advanced Services Fund grants to attend the Summit. D.11-06-038 allocated up to \$10,000 per consortium for summit attendance. In Resolution T-17529, the Commission modified this requirement so that at least one summit during the grant implementation period will be organized.⁷

C. Fiscal Agent

D.11-036-038 requires:

Each regional Consortium must retain at least one Fiscal Agent with lead responsibility and legal authority to represent the Consortium for purposes of sponsoring the application, and for administration of Consortium activities, including receipt and disbursement of Consortium grant funds. In any event, the Fiscal Agent must affirmatively agree, on behalf of the Consortium, to comply with the Commission's directives and conditions relating to the review, approval, and administration of any Consortia application grants. This requirement is to provide assurance that Consortium members or contractors retained by the Consortium are capable and committed to delivering on the commitments to be funded.⁸

CD staff reviewed the applications and determined that the application meets this requirement. Specifically, for each application, the Fiscal Agent signed an affidavit, under penalty of perjury, that to the best of his or her knowledge, all statements and representations made in Consortium application are true and correct, and affirmed to fulfill the requirements of the CPUC with respect to grant administration.⁹

The Fiscal Agent shall comply with all rules and requirements set forth in D.11-06-038, including but not limited to ensuring implementation of the approved Work Plan within the allocated budget (in conjunction with the consortium program manager),

⁷ Resolution T-17529, dated August 18, 2016.

⁸ D.11-06-038, p. 25.

⁹ Imperial County Transportation Commission, Fiscal Agent for SBBC has agreed to comply with the CPUC's grant administration requirements.

and shall be responsible for notifying CD of any proposed changes to the Work Plan or budget during the course of the grant cycle.

D.11-036-038 further requires each Consortia grantee to:

...maintain books, records, documents and other evidence sufficient to substantiate expenditures covered by the grant, according to generally accepted accounting practices. Each Consortia grantee shall make these records available to the Commission upon request and agrees that these records are subject to a financial audit by the Commission at any time within three years after the Grantee incurred the expense being audited. A Consortia grantee shall provide access to the Commission upon 24 hours' notice to evaluate work completed or being performed pursuant to the grant.¹⁰

Lastly, D.11-06-038 requires that the Fiscal Agent must submit a letter stating the Fiscal Agent's commitment to act as a Fiscal Agent for the Consortium. The letter must include:¹¹

- The name and contact information of the responsible party within the agency, including the person responsible for the administrative tasks, if different.
- Affirmation that the work outlined in the Consortium Work Plan will be completed and verification by an Attestation Report prepared by an independent, licensed Certified Public Accountant will be submitted annually to the Communications Division. The letter must also state the Consortium's acceptance of the Fiscal Agent's rights, duties, and responsibilities.

D. Distinguishing CASF from other Financial Resources

D.11-06-038 requires that the consortium take steps to ensure that that CASF grant budget does not duplicate funding from other non-Consortia Account funding.¹² All grantees must ensure that *only* CASF-approved activities will be billed to the Consortia

¹⁰ D.11-06-038, p. 29.

¹¹ Id. at pp. 25-26.

¹² D.11-06-038, Ordering Paragraph 11, p. 40, "Any proposed consortium budget must expressly exclude any costs for activities or programs within the consortia region that are separately funded from any other sources in order to ensure that California Advanced Services Fund grants do not duplicate funding from any other sources."

Account, and activities obligated to other funding resources will not be billed to the CASF Consortia Account.

Prior to initiation of Work Plan activities, the Fiscal Agents for SBBC must communicate to CD staff how they will ensure that billing to discrete funding sources does not overlap.

E. Payments

D.11-06-038 requires that submission of invoices from and payments to the grantees shall be made at quarterly intervals. Specifically, D.11-06-038 states:

In order to receive a progress payment, the Consortium must first submit the Quarterly Progress Report to the Communications Division, together with all requests for payment and reimbursement supported by relevant invoices receipts, etc. ... Further, the Quarterly Progress Report shall indicate the actual date of completion of each task/milestone as well as problems/issues encountered and the actions taken to resolve these problems/issues. The Quarterly Progress Report will be submitted and certified under penalty of perjury.¹³

Furthermore, documentation should substantiate the consortium's progress in following its proposed Action Plan, Work Plan, with the approved budget. Billing should only be for activities related to broadband deployment, access, and adoption.

F. Project Audit

The Commission's Communications Division has delegated authority to initiate and enforce any necessary audit, verification, and discovery of consortium members relating to grant funding activities to ensure that CASF funds are spent in accordance with Commission adopted rules and standards.¹⁴

SBBC's invoices and other relevant records will be subject to a financial audit by the Commission or its designee at any time within three years after SBBC incurred the expense being audited.

G. Lobbying and Advocacy Efforts

¹³ Id. at, p. 30.

¹⁴ D.11-06-038, p. 29; see also Pub. Util. Code, § 270.

SBBC is free to advocate on any legislation of their choosing. However, no work on proposed state legislation including meetings, travel, or lobbying may be billed to or reimbursed by the CASF Consortia Grant program.

H. Reporting

SBBC must submit quarterly progress reports on the status of the project irrespective of whether grantees request reimbursement or payment.¹⁵ Quarterly progress reports must begin the first quarter after the Commission approval of the grant proposal. Quarterly reports are due May 1, 2017, August 1, 2017, November 1, 2017, and so on for the remainder of the grant period, irrespective of payment requests.

VIII. SAFETY IMPACT

By furthering broadband deployment, access and adoption, these projects are expected to enhance public safety in the San Diego and Imperial County regions of California in the event of fire, flooding, or earthquakes.

IX. COMMENTS

In compliance with Pub. Util. Code section 311(g)(1), a Notice of Availability was e-mailed on March 3, 2017 informing all parties on the CASF Distribution List of the availability of the draft of this Resolution for public comments at the Commission's website at <http://www.cpuc.ca.gov/>. This letter also served to inform parties that the final conformed Resolution the Commission adopts will be posted and available at this same website. CD received no comments.

X. FINDINGS

1. On September 2, 2015, the Governor signed legislation (AB1262) that reallocated \$5 million from the CASF Broadband Infrastructure Revolving Loan Account to the CASF Consortia Grant Account.
2. Fifteen prospective grantees filed applications on January 29, 2016. CD posted each applicant's name, contact information, and coverage area by county on the CPUC Consortia Account webpage on February 18. On October 27, 2016, SBBC

¹⁵ D.11-06-038, p. 30.

submitted a grant application for CASF Consortia funding. On November 11, 2016, CD posted the information for SBBC to the CASF Consortia webpage.

3. CD reviewed SBBC's application according to the guidelines, requirements, and evaluation criteria adopted in D.11-06-038, which include regional consortium representation and endorsements, regional consortium's/members' experience, action plans, work plans, and budgets. CD also evaluated the applications based on the merits of each proposal, past performance including achievements, fiscal responsibility and cost effectiveness.
4. Based on its review, CD determined that SBBC's proposed project meets eligibility requirements and qualifies for funding under D.11-06-038.
5. CD recommends CASF consortia grant approval of total funding of \$450,000 for SBBC.
6. SBBC is required to retain at least one Fiscal Agent with lead responsibility and legal authority to represent the Consortium for purposes of sponsoring the application, administration of Consortium activities, including receipt and disbursement of Consortium grant funds. The Fiscal Agent must also affirmatively agree on behalf of the Consortium to comply with the Commissions directives and conditions relating to review, approval and administration of any Consortia application grants.
7. The Fiscal Agent for SBBC must submit a letter stating the fiscal agent's commitment to act as a Fiscal Agent for the Consortium. The letter must include: the name and contact information of the responsible party within the agency, including the person responsible for the administrative tasks, if different; and affirmation that the work outlined in the Consortium Work Plan will be completed and verification by an Attestation Report prepared by an independent, licensed Certified Public Accountant will be submitted annually to the Communications Division. The letter must also state the Consortium's acceptance of the Fiscal Agent's rights, duties, and responsibilities.
8. SBBC is required to comply with all guidelines, requirements, and conditions associated with the granting of CASF funds as specified in D.11-06-038 and this

Resolution, including only billing for activities related to broadband deployment, access, and adoption in approved Action and Work Plans.

9. SBBC is required to expressly exclude any costs for activities or programs from the proposed consortium budget that are separately funded from any other sources in order to ensure that CASF grants do not duplicate funding from any other sources.
10. D.11-06-038 directs CD to schedule and host a Regional Consortia Learning Community Summit, and authorizes \$2,000 per person for up to five delegates annually for each approved consortium. Resolution T-17529, adopted on August 18, 2016 modified this requirement so that at least one summit during the grant implementation period will be organized.
11. The Commission finds CD's recommendation reasonable and consistent with Commission orders and, therefore, adopts such recommendation.
12. A notice was emailed on March 3, 2017 informing the parties of record in Decision 11-06-038 of the availability of the draft of this Resolution for public comments at the Commission's website <http://www.cpuc.ca.gov/PUC/documents/>. This letter also informed parties that the final conformed Resolution adopted by the Commission will be posted and available at this same website. CD received no comments.

THEREFORE, IT IS ORDERED THAT:

1. The Commission shall award \$450,000 to Southern Border Broadband Consortium (SBBC). All awards are based on the descriptions of the projects as described herein. The Approved Work plan for SBBC is in the attached Appendix.
2. Payments to SBBC shall be in accordance with guidelines adopted in D.11-06-038 and in accordance with the process defined in the "Payments" section of this Resolution.
3. The Fiscal Agent for SBBC must submit a letter stating the fiscal agent's commitment to act as a Fiscal Agent for the Consortium. The letter must include: the name and contact information of the responsible party within the agency, including the person responsible for the administrative tasks, if different; and affirmation that the work

outlined in the Consortium Work Plan will be completed and verification by an Attestation Report prepared by an independent, licensed Certified Public Accountant will be submitted annually to the Communications Division. The letter must also state the Consortium's acceptance of the Fiscal Agent's rights, duties, and responsibilities.

4. SBBC shall comply with all guidelines, requirements and conditions associated with the CASF funds award as specified in D.11-06-038 and this Resolution.
5. Prior to commencement of SBBC projects, each Fiscal Agent must provide CD with the method chosen to distinguish funding sources and billing practices, to ensure that CASF payments are not duplicated by other sources.
6. The disbursement of funds shall be subject to the requirements set forth in D.11-06-038 and this Resolution including the submission of quarterly progress reports and supporting documentation for payment reimbursement, yearly status reports for informing the legislature, and a completion report to be submitted with the final payment request.
7. By receiving a CASF grant from the Commission, SBBC agrees to comply with the terms, conditions, and requirements of the grant and thus submit to the jurisdiction of the Commission with regard to disbursement and administration of the grant.
8. SBBC must use the grant funds solely for the approved project as described in the Consortia Commission-approved Action Plan and Work Plan, (or approved revisions to such Plans and budgets).
9. Any changes to the substantive terms and conditions underlying Commission approval of the grant (e.g., changes to Action Plan, Work Plan, budget or designated Fiscal Agent, etc.) must be communicated in writing to the Communications Division Director at least 30 days before the anticipated change, and may be subject to approval by either the Director or by Commission resolution before becoming effective.
10. The Commission may withhold or terminate grant payments to SBBC if the consortium does not comply with any of the requirements set forth in Decision 11-06-038 and this Resolution.
11. In the event that SBBC fails to complete the project in accordance with the terms of approval granted by the Commission and this Resolution, the consortium, represented by the Fiscal Agent, will be required to reimburse some or all of the CASF funds that it has received.

12. The commencement of the grant cycle will be May 1, 2017.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 6, 2017. The following Commissioners approved it:

/s/ Timothy J. Sullivan

TIMOTHY J. SULLIVAN

Executive Director

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners

APPENDIX

APPENDIX A
Southern Border Broadband Consortium
Work Plan

Activities	Y1 Q1	Y1 Q2	Y1 Q3	Y1 Q4	Y2 Q1	Y2 Q2	Y2 Q3	Y2 Q4	Y3 Q1	Y3 Q2	Y3 Q3	Y3 Q4	Outcome/Deliverable
Work with local stakeholders to identify, prioritize and advance digital access projects	X	X	X	X	X	X	X	X	X	X	X	X	Summary reports identifying digital access projects
Identify funding sources and funding gaps	X	X	X	X	X	X	X	X	X	X	X	X	E-Newsletters, E-blasts, social media posts, recommendations for each county
Facilitate and promote broadband educational	X	X	X	X	X	X	X	X	X	X	X	X	Summary reports on resources and collaboration on education and outreach efforts
Research, compile and analyze data from surveys and maps	X	X	X	X	X	X	X	X	X	X	X	X	Summary reports to share with stakeholders
Conduct community and business surveys	X		X		X		X		X		X		Summary reports for each cities and recommendations
Perform and promote ground truth speed testing	X	X	X	X	X	X	X	X	X	X	X	X	Synthesized survey results
Work with local agencies to facilitate applications for public housing grants and broadband infrastructure grants	X	X	X	X	X	X	X	X	X	X	X	X	Summary report, grant assistance, working grant timelines for each applications submitted
Attend Quarterly Consortia Meetings				X				X				X	To continue engaging information with other California Consortia
Identify Two Disconnected Areas where broadband is not available but needs to exist	X	X	X	X									Summary reports
Identify Low Adoption Areas where broadband is available but under utilized	X	X	X	X									Summary reports, tool kit
Research and surveys homework gap	X	X	X	X									Survey households with children
Identify Four Disconnected Areas by prioritized list of projects where broadband is not available but needs to exist					X	X	X	X					Summary reports

Resolution T- 17561
CD/TGC

Develop Improved Maps				X	X	X	X						Summary reports from interviews and surveys
Research and surveys senior access to internet					X	X	X	X					Summary reports from nursing homes and households
Implement homework gap infrastructure					X	X	X	X	X	X	X	X	Synthesized research and surveys summary report for each county
Elicit government and local government support			X	X	X	X	X	X	X	X	X	X	Establish policies promoting broadband deployment and adoption
Convene and coordinate stakeholders, funding sources and telecoms to identify and prioritize core set of projects					X	X	X	X	X	X	X	X	Reports that identify specific projects and implementation strategies
Work with telecoms to increase enrollment for low-cost home and business internet solutions					X	X	X	X	X	X	X	X	Summary reports and resource guides for all counties
Implement broadband access to senior							X	X	X	X	X	X	
Implement Public Awareness Campaign									X	X	X	X	Summary reports from findings with stakeholders to all counties